

KANSAS RACING AND GAMING COMMISSION

MINUTES – NOVEMBER 18, 2016

CALL TO ORDER (A.)

Chairman Brandon Jones called the November 18, 2016, meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioners Dennis McKinney and David Moses were also present. Commissioner Jan Kessinger was absent. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of IT and Electronic Security Dennis Bachman, Director of Administration, Finance, and Audit Brandi White, Director of Security Larry Moreland, Recording Secretary Chris Vega and other staff.

MOTION, APPROVE AMENDED AGENDA (B.)

There was one amendment to the agenda: correcting the date on the agenda from October 14, 2016 to November 18, 2016. Commissioner McKinney (Moses) moved to approve the agenda as amended. Motion carried unanimously.

MOTION, APPROVE OCTOBER 14, 2016 MEETING MINUTES (C.1.)

Commissioner Moses (McKinney) moved to approve the minutes of the October 14, 2016 meeting. Motion carried unanimously.

MOTION, APPROVE CONSENT AGENDA (D.)

Commissioner McKinney (Moses) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING FACILITY REPORTS/ITEMS; BOOT HILL CASINO & RESORT (E.1.a.)

Diane Giardine, General Manager, reported:

- October 2016 revenue numbers compared to October 2015:
 - Total gaming revenue up 4.88%
 - Total slot revenue up 2.65%
 - Table games revenue up 21.33%
- Past casino promotions and arena events:
 - Seniors Take 10
 - Stay & Play hotel packages
 - Motorcoach trips
 - November 5 – Battle on Boot Hill (MMA)
- Upcoming casino promotions and arena events:
 - Earn & Win promotions

- 4X4 Off-Road giveaway
- Pink Power Hot Seats and Donation (Circle of Hope Cancer Charity)
- 3i Show
- Food & Beverage promotions
- November 18 – Martina McBride
- December 9 – Sawyer Brown
- January 13 – Hairball

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
STAR
(E.2.a.)

Dan Ihm, General Manager, reported:

- October 2016 admissions were down 11.6% from October 2015.
- October 2016 revenue numbers compared to October 2015:
 - Total gaming revenue down 3.7%
 - Slot coin-in (handle) down 1.9%
 - Slot hold down .33 points
 - Table game drop down 11.1%
 - Table game hold up 3.3 points
 - Poker room revenue up 38.8%
- Past events at the Kansas Star Casino Arena:
 - October 1 – Evolution Fighting Championship (MMA)
 - October 15 – Sara Evans
 - November 9 through 13 – National Finals Steer Roping
- Upcoming events at the Kansas Star Casino Events Center:
 - November 19 – Miss Kansas USA/Miss Kansas Teen USA
 - December 16 – Scotty McCreary
 - December 17 – Asian Variety Show
 - January 14 – Bill Engvall
 - March 31 - Foreigner

LOTTERY GAMING
FACILITY
REPORTS/ITEMS;
HOLLYWOOD CASINO AT
KANSAS SPEEDWAY
(E.3.a.)

Mark Wong, Vice President of Gaming Operations, reported:

- October 2016 revenue numbers compared to October 2015:
 - Total gaming revenue was \$11.8 million, an increase of \$86,000.00 or 0.7%
 - Table games revenue was \$1.6 million, a decrease of \$33,000.00 or 2.1%
 - Slot revenue was \$10.2 million, an increase of \$53,000.00 or 0.5%

- The NASCAR weekend was a success, with good volumes starting Thursday and continuing through Sunday with slightly better performance in comparison to last year. Brad Keselowski was in the Turn 2 Sports Bar & Restaurant on Thursday evening with a meet-and-greet for fans. The Hollywood Casino 400 Giveaway of a Ford F-150 MVP Limited Edition truck was well received and had a very good turnout for the drawing on Friday night.

LOTTERY GAMING
FACILITY
REPORTS/ITEMS; KANSAS
CROSSING CASINO
(E.4.a.)

Doug Fisher, General Manager, reported:

- Construction progressed on both the Kansas Crossing Casino and Hampton Inn & Suites.

COMMISSION ITEMS –
OLD BUSINESS;
(F.)

There were no old business items.

COMMISSION ITEMS –
NEW BUSINESS;
HISTORICAL RACING
(G.)

DeVoe Treadwell, a Wichita attorney, presented information about “historical racing” in support of Eureka Downs, which proposes to bring historical racing to Greenwood County. Software developers Jeff True, Tim Yelton and Cabot Haggin of AmTote International provided information about historical racing machines they have developed and installed at several racetracks in the U.S. where historical racing is legal. Jerry Johnson, a director of the Kansas Thoroughbred Association, spoke in support of historical racing only if the requirement to run “live” horses in races at the track remains, stating that the play of historical horse racing games does not constitute live horse racing or a legal substitute for live horse racing under the Kansas Expanded Lottery Act or the Kansas Parimutuel Racing Act.

PUBLIC COMMENTS
(H.)

Gail Radke spoke about the multimillion dollar contribution Kansas thoroughbred racehorse owners make to the Kansas economy and the need to require live horse races. Jerry Johnson and Gary Smith, Executive Director of the Kansas Thoroughbred Association, also spoke. DeVoe Treadwell made additional comments.

STAFF REPORTS
(I.1.a. and I.2.)

Michelle Neis, Enforcement Attorney, reported on the Voluntary Exclusion Program statistics for the month of October 2016.

Executive Director Brownlee reported:

- New agent training for the Kansas Crossing Casino will begin the week of December 5.
- KRGC staff is working on Kansas Crossing Casino's internal controls which will be available to the commission in January 2017 and will be brought before the commission at the February 2017 meeting.
- The next meeting of the Kansas Racing and Gaming Commission will be December 16, 2016 at 10:00 a.m. in Topeka.
- The February 2017 or March 2017 commission meeting will be held in Pittsburg, KS.

DISCIPLINARY REVIEW
PROCESS
(J.)

Hearing waivers have been signed and submitted to the KRGC prior to this meeting requiring no action at this time. Hearing waivers were signed in KRGC cases:

- 2016-2004 – Steven Lam
- 2016-2005 – Summer Youngblood

MOTION, EXECUTIVE
SESSIONS
(K.)

Chairman Jones moved for the commission to go into executive session for the purpose of (1) attorney/client privilege and (2) reviewing the list of confidential backgrounds for licensing. Those included in the executive sessions were the commissioners, executive director, general counsel, and director of security. The total time for the executive sessions was anticipated to be thirty minutes. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Commissioner McKinney (Moses) made a motion to adjourn to executive session. The motion carried unanimously and the meeting was adjourned to executive session at 11:40 a.m.

RECONVENE

The commission meeting returned to open session at 12:10 p.m. with all members present.

MOTION TO DENY,
CONDITIONALLY
APPROVE, TABLE, AND
APPROVE LICENSE
APPLICATIONS

Commissioner Moses (McKinney) moved to *deny* two license applications, *conditionally approve* two license applications, *table* one license application, and *approve* the remaining 196 license

(L.)

applications from the November 18, 2016 list of background reports referred to the commission for action. Motion carried unanimously.

ADJOURN

(M.)

Commissioner McKinney (Moses) moved to adjourn the meeting. Motion carried unanimously and the meeting adjourned at 12:13 p.m.

SUBMITTED BY:

(Signature on file)

Brandon Jones

Chairman

APPROVED BY:

(Signature on file)

Dennis McKinney

Vice-Chairman